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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/749,614	12/30/2003	Brian Alan Grove	2043.033US2	9853
49845	7590	01/04/2008		
SCHWEGMAN, LUNDBERG & WOESSNER/EBAY			EXAMINER	
P.O. BOX 2938			GART, MATTHEW S	
MINNEAPOLIS, MN 55402				
			ART UNIT	PAPER NUMBER
			3625	
			NOTIFICATION DATE	DELIVERY MODE
			01/04/2008	ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

USPTO@SLWIP.COM

<b>Office Action Summary</b>	Application No. 10/749,614	Applicant(s) GROVE ET AL.	
	Examiner Matthew S. Gart	Art Unit 3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) ☒ Responsive to communication(s) filed on 06 December 2007.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) ☒ Claim(s) 1-20,26-31,34-53 and 59-78 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-20,26-31,34-53 and 59-78 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                       | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | Paper No(s)/Mail Date. _____                                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>12/6/07</u>   | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 12/06/2007 has been entered.

### ***Prosecution History Summary***

Claims 1-20, 26-31, 34-53 and 59-78 are pending in the instant application.

### ***Response to Amendment***

The rejection of claims 41-52 and 66-77 under 35 U.S.C. 101 is vacated in view of the amendment submitted on 12/06/2007.

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

**Claims 1-20, 26-31, 34-53 and 59-78 are rejected under 35 U.S.C. 102(b) as being anticipated by Auction Arms (Hereinafter “Arms”).**

Referring to claim 1. Arms discloses a network-based commerce system including:

- A processor coupled to a memory through a bus (Arms: page 1, “Or you can access the most powerful online market of gun bidders on the planet by listing your product for sale!”).

The Examiner notes, the auction price-setting process executed from the memory by the processor to cause the processor to automatically publish at least one of a proxy bid information and a reserve price is dependent on the phrase “when a high proxy bid is less than the reserve price...” This phrase is a conditional limitation. The noted step is not necessarily performed. Accordingly, once the positively recited steps are satisfied, the method as a whole is satisfied -- regardless of whether or not other steps are conditionally invocable under certain other hypothetical scenarios. [See: In re

Johnston, 77 USPQ2d 1788 (CA FC 2006); Intel Corp. v. Int'l Trade Comm'n, 20 USPQ2d 1161 (Fed. Cir. 1991); MPEP §2106 II C].

The Examiner notes, the auction price-setting process executed from the memory by the processor to cause the processor to keep the proxy bid information and the reserve price confidential is dependent on the phrase "when the high proxy bid is more than the reserve price..." This phrase is a conditional limitation. The noted step is not necessarily performed. Accordingly, once the positively recited steps are satisfied, the method as a whole is satisfied -- regardless of whether or not other steps are conditionally invocable under certain other hypothetical scenarios. [See: In re Johnston, 77 USPQ2d 1788 (CA FC 2006); Intel Corp. v. Int'l Trade Comm'n, 20 USPQ2d 1161 (Fed. Cir. 1991); MPEP §2106 II C].

Referring to claims 2-7. These limitations are dependent upon a conditional limitation and are given little patentable weight, since once the positively recited steps are satisfied, the method as a whole is satisfied -- regardless of whether or not other steps are conditionally invocable under certain other hypothetical scenarios.

Referring to claim 8. Arms discloses a network-based commerce system for facilitating a network-based auction price-setting process, the network-based commerce system including:

- A processor coupled to a memory through a bus (Arms: page 1, "Or you can access the most powerful online market of gun bidders on the planet by listing your product for sale!").

The Examiner notes, the auction price-setting process executed from the memory by the processor to cause the processor to automatically publish at least one of a proxy bid information and a reserve price is dependent on the phrase "when a high proxy bid is less than the reserve price..." This phrase is a conditional limitation. The noted step is not necessarily performed. Accordingly, once the positively recited steps are satisfied, the method as a whole is satisfied -- regardless of whether or not other steps are conditionally invocable under certain other hypothetical scenarios. [See: In re Johnston, 77 USPQ2d 1788 (CA FC 2006); Intel Corp. v. Int'l Trade Comm'n, 20 USPQ2d 1161 (Fed. Cir. 1991); MPEP §2106 II C].

The Examiner notes, the auction price-setting process executed from the memory by the processor to cause the processor to keep the proxy bid information and the reserve price confidential is dependent on the phrase "when the high proxy bid is more than the reserve price..." This phrase is a conditional limitation. The noted step is not necessarily performed. Accordingly, once the positively recited steps are satisfied, the method as a whole is satisfied -- regardless of whether or not other steps are conditionally invocable under certain other hypothetical scenarios. [See: In re Johnston,

77 USPQ2d 1788 (CA FC 2006); Intel Corp. v. Int'l Trade Comm'n, 20 USPQ2d 1161 (Fed. Cir. 1991); MPEP §2106 II C].

Referring to claim 9. Arms disclose a network-based commerce system wherein the at least one of the proxy bid information and the reserve price information are automatically exchanged upon conclusion of the auction price-setting process (Arms: page 9, "If I didn't receive an email, can I contact the seller?").

Referring to claim 10. This limitation is dependent upon a conditional limitation and is given little patentable weight, since once the positively recited steps are satisfied, the method as a whole is satisfied -- regardless of whether or not other steps are conditionally invocable under certain other hypothetical scenarios.

Referring to claim 11. Arms disclose a network-based commerce system wherein the auction price-setting process further causes the processor to automatically invite at least one of the seller and the buyer to exchange the at least one of the proxy bid and the reserve price information (Arms: page 9, "If I didn't receive an email, can I contact the seller?").

Referring to claim 12. Arms disclose a network-based commerce system wherein at least one of the buyer and the seller is automatically invited to exchange the at least one of the proxy bid and the reserve price information when a proxy bid

associated with the seller and the reserve price are within a predetermined proximity of each other (Arms: page 9, "If I didn't receive an email, can I contact the seller?").

Referring to claim 13. Arms disclose a method according to claim 12 as indicated supra. Arms does not expressly disclose a network-based commerce system wherein the predetermined proximity is within twenty percent of each other. However, the wherein clause merely states the result of claim 13 and adds nothing to the patentability or substance of the claim. *See Texas Instruments Inc. v. International Trade Commission*, 26 USPQ2d 1010 (Fed. Cir. 1993). Furthermore, the applicant has not persuasively demonstrated the step of having a proximity within twenty percent, versus that shown in the prior art.

Referring to claim 14. Arms disclose a network-based commerce system wherein the exchange of information is a secured exchange of information (Arms: page 6, "FFL").

Referring to claim 15. Arms disclose a network-based commerce system wherein the invitation is indicated in the listing (Arms: page 16).

Referring to claim 16. Arms disclose a network-based commerce system wherein the invitation is indicated in the listing before the auction price-setting process (Arms: page 16).



Referring to claim 17. Arms disclose a network-based commerce system wherein the invitation is indicated in the listing after the auction price-setting process (Arms: page 9, "If I didn't receive an email, can I contact the seller?").

Referring to claim 18. These limitations are dependent upon a conditional limitation and are given little patentable weight, since once the positively recited steps are satisfied, the method as a whole is satisfied -- regardless of whether or not other steps are conditionally invocable under certain other hypothetical scenarios.

Referring to claim 19. Arms disclose a network-based commerce system wherein the auction price-setting process further causes the processor to facilitate a request for an adjustment of a fixed price offer associated with a listing for an item utilizing the auction price-setting process, the request to be sent to a seller of the listing (Arms: page 7, "Reserve Style Auction").

Referring to claim 20. Arms disclose a network-based commerce system wherein the auction price-setting process further causes the processor to notify automatically the buyer when the reserve price has been published (Arms: page 8, "You will be notified at any time that you've been outbid, or any time a proxy bid has been placed for you.").

Referring to claims 26-31. Claims 26-31 contains limitation similar to claims 1-20 as indicated supra. Claims 26-31 are rejected under the same rationale as set forth above in claims 1-20.

Referring to claims 34-53. Claims 34-53 contains limitation similar to claims 1-20 as indicated supra. Claims 34-53 are rejected under the same rationale as set forth above in claims 1-20.

Referring to claims 59-78. Claims 59-78 contains limitation similar to claims 1-20 as indicated supra. Claims 58-78 are rejected under the same rationale as set forth above in claims 1-20.

***Response to Arguments***

Applicant's arguments filed 12/06/2007 have been fully considered but they are not persuasive.

The Examiner was invited by the Applicant to a rule in the MPEP that would allow partial examination of a claim based on a conditional limitation used.

The Applicant is respectfully requested to review *In re Johnston*, 77 USPQ2d 1788 (CA FC 2006); *Intel Corp. v. Int'l Trade Comm'n*, 20 USPQ2d 1161 (Fed. Cir. 1991).

Furthermore, MPEP §2106 II C], clearly sets forth:

- The goal of claim analysis is to identify the boundaries of the protection sought by the applicant and to understand how the claims relate to and define what the applicant has indicated is the invention. USPTO personnel must first determine the scope of a claim by thoroughly analyzing the language of the claim before determining if the claim complies with each statutory requirement for patentability. See *In re Hiniker Co.*, 150 F.3d 1362, 369, 47 USPQ2d 1523, 1529 (Fed. Cir. 1998) ("[T]he name of the game is the claim.").
- The subject matter of a properly construed claim is defined by the terms that limit its scope. It is this subject matter that must be examined. As a general matter,

the grammar and intended meaning of terms used in a claim will dictate whether the language limits the claim scope. Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation.

**Conclusion**

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Matthew S. Gart whose telephone number is 571-272-3955. The examiner can normally be reached on M-F, 9-6.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey Smith can be reached on 571-272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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